

S-E-C-R-E-T

ANALYSIS OF DESIGNATION OF PARTICIPANTS
UNDER SECTION 203 OF THE CIA RETIREMENT ACT

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December 1984

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7 December 1984

The Honorable William J. Casey
Director of Central Intelligence
Washington, D.C. 20505

Dear Mr. Casey:

This year marks the twentieth anniversary of enactment of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. That Act authorized the Director of Central Intelligence to establish and maintain a Central Intelligence Agency Retirement and Disability System for a limited number of Agency employees.

The law did not set any limit on the number of Agency employees who might be designated for participation in the special retirement system. There was, however, a clear understanding between the Agency and the Congressional Committees that only about thirty percent of all Agency employees would be participants in CIARDS.

In 1976 the House Armed Services Committee requested that each year the Agency conduct a study and submit a report on its administration of the special retirement system. The primary purpose of the annual study is to review the manner in which the Agency has exercised its discretion to designate employees for participation in CIARDS and to administer the system for a limited number of employees. This is the ninth in the series of annual reports, which are now submitted to the House Permanent Select Committee on Intelligence.

During the fiscal year 1984 the Central Intelligence Agency Retirement Board and the Director of Personnel, acting under your delegated authority, have continued to apply very strict criteria in the exercise of discretion to determine what service is qualifying and to designate employees for participation in CIARDS. Extensive review discloses no deviations or exceptions from the law, the regulations, or established Agency policy.

Participation in CIARDS, which peaked at almost thirty-five percent of Agency employees in 1974, is now down to nineteen percent of employees. The average age of employees retiring under CIARDS, while up somewhat in recent years, is still a full four years younger than that of Agency employees retiring under the Civil Service Retirement System.

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[] Agency employees have retired under CIARDS since the 1964 enactment authorized establishment of this special retirement system. Nine out of ten of these retired employees are still alive and receiving annuity. [] survivors of deceased Agency employees and retirees are also receiving annuity.

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The formulas for computing annuities for employees under CIARDS is less generous than formula applicable to several other groups of special employees, such as Members of Congress and Congressional employees, law enforcement officers including FBI agents, and air traffic controllers. Nevertheless, CIARDS has been a valuable tool of personnel management for the past twenty years, and has helped to keep the intelligence service young and vigorous by facilitating the retirement of employees in certain essential areas before their effectiveness was seriously diminished or destroyed.

In my opinion, the Agency has administered the Central Intelligence Agency Retirement and Disability System during Fiscal Year 1984 in a manner wholly consistent with the intent of Congress.

Sincerely yours,

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